

TRANSCRIPT

LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into sustainable employment for disadvantaged jobseekers

Bendigo—Tuesday, 22 October 2019

MEMBERS

Mr John Eren—Chair

Mr Gary Blackwood—Deputy Chair

Ms Juliana Addison

Ms Sarah Connolly

Mr Brad Rowswell

Ms Steph Ryan

Ms Kat Theophanous

WITNESSES

Mr Mark Brennan, Chair, Bendigo Manufacturing Group; and

Mr Dennis Bice, Chief Executive Officer, Be.Bendigo.

The CHAIR: Thank you for attending this very important public hearing. We really appreciate the fact that you have made time to be here today.

All evidence taken by this Committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you go outside and repeat the same things, including on social media, those comments may be protected by this privilege. You will be provided with a proof version of the transcript for you to check. The verified transcript, PowerPoint presentations and handouts will be placed on the Committee's website as soon as possible.

I know that you are going to give us a 5-minute presentation and then we will proceed to ask questions after that. Again, thank you for being here today.

Mr BICE: I will kick it off if you like. Firstly, thanks for the opportunity. Be.Bendigo is the representative organisation for businesses in Bendigo. Our role primarily is to make sure that we are providing support, education, training and anything else we can do to create successful businesses overall. We are also the organisation that is delivering the GROW program in Bendigo, so that is pretty exciting. In actual fact it gets a bit more exciting because we launch it on Monday night, so we are at the really pointy end of the whole program now.

The CHAIR: I hope the media heard that.

Mr BICE: She knows all about it. So from that perspective we are in a position now where we have spent, obviously, a lot of time talking to Geelong, given their experience, and Gippsland to go down the path of learnings of what they have been through. So on Monday night we will launch the regional plan and the regional action plan. We will also have about 25 businesses there who have agreed to sign a compact, which is agreeing to the principles of GROW and working with us around the GROW program. So it is a good start to kick things off, and we will start to work with those businesses now around action plans and primarily just start to drive outcomes towards more local procurement, social procurement and employment in certain areas of disadvantage—youth, Indigenous and a range of other areas. So we are pretty excited to get things kicked off and get started.

So from that perspective we have found, using our own business—there are only five people in our business, but we have already engaged a student under the Head Start program as part of supporting keeping students in school but also giving them some work experience. So she works two days a week with us but goes to school for three days a week. And on that particular program, we are looking to support businesses around Bendigo to certainly make sure that that program gets some carriage with other businesses outside of our own. We felt it was a leadership role that we needed to take to actually drive that forward. So from that perspective there are some challenges out there in talking to the businesses around employment opportunities. There are a couple of things that we have tried to address. One is talking to the businesses about the fact that you are not always going to get experienced people. Sometimes you have got to take the opportunity to bring some people in that do not have the expertise or experience. And we understand why businesses do that—because they are under pressure to perform and drive that outcome—but one of the things we have actually been working with them on is to say, 'There is an opportunity here for you to take on whether it be a trainee or a student or whatever to actually help that particular process and address that issue of, certainly, youth unemployment', and that is one of the things we have actually focused on.

We spoke to a number of the businesses about what are the issues that they are facing in terms of employment and finding people. We know that we have got some shortfalls in some areas in terms of the workforce. Hospitality is one of them. One of the interesting things around hospitality—there are two components to it—is actually finding chefs, which has been one that is well and truly on the cards. The other one has been just in the casual workforce around hospitality, which primarily used to be filled with university students that are part-time but that does not seem to be the case now, and that seems to be a real challenge for the cafes and restaurants and those sorts of things, to find those particular workers. So we are working with them around what are the sort of opportunities that might exist there and what can we actually address, and probably more so, trying to understand what is actually happening in that space overall. Obviously Mark will talk about the manufacturing side of things and all the rest. We know there are some gaps there as well.

So there are a number of things that have come out. I think there is an opportunity for us to work—and this is through the GROW program—with the employment providers around how we prepare people for interviews. As late as yesterday I met with a business who had two potential employees turn up with no shoes on to an interview. So those types of things are things we need to work on with the employment providers to say, ‘If we’re putting people up for businesses to employ, let’s make sure we are preparing them well enough to make sure that they can go to an interview in a reasonable manner in that respect’.

The other thing I think that we have been trying to work through through the GROW program is that there are a lot of employment providers out there, so it is just really that collaboration and cooperation across all of them rather than individually. They all do their own thing, but we are trying to collaborate across all of them to get a stronger outcome I suppose from that perspective and be able to drive a better approach.

They are probably the key things that we have been working on. Obviously the GROW program provides us with the tools to drive more around that employment. We know where we have got areas of disadvantage in the Bendigo region. We understand what that looks like through the report which we will launch on Monday night. Our role now is coordination of that to actually start to drive some outcomes through that particular program. Primarily that is our focus at the moment from a Be.Bendigo point of view—certainly working with businesses around their prosperity and growth but also then working with them around the GROW program to ensure we do get more local spend and social procurement policies. The one thing I will say about social procurement is that I think it is one of the most misunderstood things that I have come across in terms of the social procurement policy. We had a call yesterday from a business: ‘Can you come and talk to us about it? We don’t know what it means’. Therefore there is some work that we need to do in that space as well.

Mr BRENNAN: Welcome, everybody, to Bendigo. It is a lovely city, particularly centred in the geographical centre of Victoria. It is a great regional centre from that perspective. I am representing the Bendigo Manufacturing Group as the Chair. I also work at Thales Australia and I am the design authority for the new Hawkei program, which is supplying protected vehicles in the Australian Army. BMG has been in place for 19 years. It represents about 25 companies at the bigger end of town in this region. We established a strategic plan to really guide us down the path of focusing on the important issues that we believe are there. This skills gap for the whole region is a big problem for us. One of the things that was mentioned before is this Passions & Pathways. It is a fantastic program. It has been very, very successful, and the initial thoughts of that were born out of the BMG. We worked as a group to try and advise council and support council in putting those types of initiatives together.

I think our Mayor mentioned that there is still a gap where there are not really the mentors to try and guide students. We have put another program in place which is called Young Industry Ambassadors. Within Thales I encourage our young graduate engineers to participate in that, and many other companies do the same thing. These young engineers and professionals go out to schools and talk to them about their career history and how they got to where they were, and we find it is incredibly inspiring for the young people to go, ‘There is value in trying to seek higher education and get a profession’, and also that there are real opportunities here in Bendigo. You do not actually have to go to the city.

We certainly have found that younger people often want to travel and do different things, so we find that 23 to 30-year-old is a bit of a gap. They are a bit transient and they may move away, but we are actually targeting the 30-plus people because a lot of people come back here and decide, ‘I want to come home, I want to start a family’, and we are really targeting to try and find jobs and opportunities for both sides of the family.

Certainly as an employer of engineers I have been very, very challenged to encourage engineers to come here. I can take an engineer for a walk around our factory and they are just completely blown away by the level of maturity of the manufacturing that goes on there, and they invariably say, ‘I want to work here. I want to come here and do this. However, my wife’s got a really good job in Melbourne’—or ‘Sydney’—‘the kids are in really good schools, and I’ve never really seen myself working in a country town’. My answer to those is, ‘This is not a country town, this is a regional city. There are great jobs here and great schools, and we can facilitate that’. We are also trying to work a program of a concierge-type arrangement, again through the council, to support that where people may come and we are trying to help their families by giving them opportunities to meet the schools and guide them and give some guidance.

Another thing that my HR department has told me is that it is almost impossible to get engineers to move to Bendigo, and I think that whole story tells that, but I am actually an engineer and I moved to Bendigo, and I think it is the most wonderful place to be. I did not actually see myself living here. If you had said 10 years ago, 'Where do you see yourself?', I did not see myself being here in Bendigo, but now that I am it is a fantastic place to be and it is a fantastic opportunity for any young person who wants a career. There are opportunities here. There are opportunities in regional centres.

One of the challenges that we do have—and this is a concept that is going through industry—is we are a large corporate. Obviously we are an international, with 80,000 people in 68 countries. In Australia we are 3500 people across 35 sites. In Bendigo we are one site and 350 people, so very small, but we are quite unique in our capability here. We are the only factory in all of Thales that designs and manufactures protected vehicles. That is unique. It stimulates a lot of interest across Thales generally. But drug and alcohol testing is something that we have introduced, and lots of other smaller companies are doing the same thing. They are very, very challenged by that because, especially with youth, we find young people coming in and we introduce them to those schemes. We are not trying to protect them from it, we are just saying that this is how business is today, and that is a real challenge. There is a lot of potential drug abuse that is brought out in those programs, and that is a very challenging situation.

Our Mayor also talked about the level of unemployment, and there are definitely fourth-generation families that are here that are unemployed and we find that really quite a difficult thing to understand and how to break the cycle of that, but all these programs are pulling together to try and support that.

The BMG itself—we talked about tertiary education and universities—we see ourselves and advertise ourselves as university agnostic. Our direct membership are manufacturers, but we have an associate membership which is lots of other groups. There are two universities, Deakin and La Trobe, that are both part of that, and they work cooperatively together and we plan programs together. Our manufacturers have reached into those organisations to solve problems, and we have lots of masters as well as PhD programs running here trying to enhance Industry 4.0 and bring that to Bendigo and solve problems, and that has been extremely successful.

The CHAIR: I suppose when you consider that Victoria has the fastest growing population and the regions are seeing that growth as well, and being the economic powerhouse at the moment in terms of economic growth, and I think for the first time ever we have beaten New South Wales in terms of the economic growth that we are experiencing at the moment, there is the need for those special skills that we encourage others from outside of Victoria to apply, and that entrenches some of the disadvantaged job seekers here. As much as we try to make this cohort of people that are looking for sustainable job opportunities job ready—and I know there are a lot of organisations that work towards getting this cohort of people job ready, like for example what you mentioned about the attire, and Suited For Work is an organisation now in Geelong that sees people donate their clothing in order for it to be handed out to some of the disadvantaged jobseekers presenting themselves at interviews—how can State Government help the employer groups in terms of getting this cohort of disadvantaged jobseekers job ready for you so that you can say, 'We're ready to take you on'?

Mr BICE: I think there are a couple of things I mentioned before around that collaboration with the workforce providers out there at the moment. I think it is really important that we actually get the various different levels of them collaborating for the outcome of having people ready certainly for interviews and early days in the workforce. We have got Deakin University here in about 10 minutes doing a lunch presentation on 100 jobs of the future for 60 Bendigo businesses, and that is going to be looking at just some collaboration across the different businesses and how we might actually work collectively as a group to do that. They have done some research here in Bendigo which they are going to launch here shortly, today. We are working with the university. The other thing is with the younger generation too within the schools, we are certainly working closely with all of them around how you actually do prepare them. One of the things that came out of that the other day—and maybe came back to a comment earlier on when you were talking before about school counsellors and career advisers and all the rest of it—is not every kid wants to go to uni. I know that certainly the Head Start student that started with us did not want to go to uni, which is why she has come to us.

The feedback was that you have got to go to uni. Well, that is okay. Not everyone is capable or has the capacity to do that so therefore there are other opportunities in that space, so that is where you get the dropout rate also

from school. From that perspective, I think it is about how we collaborate and work with them around the preparedness and readiness of people for work. Certainly businesses need to take a bit of a risk at times, I think. That is probably one thing that we have probably gone away from. I went to the paper the other day and looked at all the positions that were available, 'Experience required' and all those sorts of things, so it is not always going to fall that way. So we have to be working with businesses around the things that we do in that space as well and just purely understanding. I think the report that we will launch on Monday night was a bit of an eye-opener for us in terms of some of the disadvantage and what it actually looks like. Then working through that process with other organisations within Bendigo to actually try and drive change into that sector is really what we are trying to do. In our role we are only five people in our business, so it is about collaboration, it is about working across all those providers and everyone in that space.

Mr BRENNAN: I think also the education needs to be on both sides of the fence. It is not just about educating a person who thinks, 'Oh, I don't have a choice, so I think it's reasonable to turn up to an interview without shoes'; it is also about educating the employer to understand that there are these differences and you can bridge the gap. Just because they turned up without shoes does not mean—

The CHAIR: Unless they are going for a lifesaving job.

Mr BRENNAN: But they are often incredibly smart people who have got a fantastic brain, and they have just been unable to get it together in a way, due primarily to their circumstances.

Ms CONNOLLY: Do you think big business understands in some circumstances of employing people that have come from generations of disadvantage the long-term ways and what it actually means signing someone up? When I say that, I mean, if there has been domestic violence, flexibility for work, or if it is homelessness. We know that once you are homeless, finding somewhere to sleep that night or crisis accommodation becomes an absolute priority. But these people need jobs and to stay in work. Do you think that business is well equipped and is well supported by the additional services they will need to keep these people employed, or is it all just kind of too hard?

Mr BRENNAN: I would think definitely no would be the answer. As Thales, we are a large company with a lot of resources and a lot of capacity to do different programs, and we have got lots of really wonderful employee support programs. But as an SME you have got a bottom line to manage, as does Thales. But the bottom line is probably going to be a risk-averse approach, and I prefer to have someone who is not from that circumstance, that I do not have to take the risk and then not have them here, because their time on the job would be the thing that drives profitability. So I think smaller companies would definitely struggle and would need support.

Ms CONNOLLY: Do you see there being sort of like a quota—like in the big business that you would have so many employees or intakes? So if you were going to have an intake of 10 people one year, that one or two would be from a socially disadvantaged background or with a disability? Is there that kind of social procurement or quota? How do you know you are really employing socially disadvantaged people, I guess?

Mr BICE: I think through the GROW Bendigo program we have not spoken to anyone in business that does not want to make a difference. I have not come across anyone who has said, 'No. That's no good. We're not going to do that'. They all want to be a part of it. The question is the how, which becomes the really important bit. How do we actually do it and how do we get the support in that? So it is a chain of things that need to happen; it is not one.

We have got a lot of really good businesses here that are actually taking people in at the moment under different programs and all the rest of it. Businesses are willing to help and to try and do the right thing. As I said, we have not come across anyone that has said no.

Ms ADDISON: I come from Ballarat, so a lot of what you have said literally about schools, about recruitment, about a whole lot of things, we have very shared experiences. Also on the issue of drug testing I think there is a lot of commonality amongst our young people and your young people. What support could the Government provide if you do have a young employee, or an older employee even, that is seeking to work for you, they have been working well, they have done a drug test and they have then got a result that they should

not have? What could we do as a Government to support those workers? Because obviously there are some alcohol and drug issues that probably need to be dealt with, but apart from that they could be excellent employees making a great contribution. Do you see a role for Government to support in those circumstances?

Mr BRENNAN: I certainly know that there has been a big transition in the introduction of drug and alcohol testing. The first reaction was, 'Well, if someone doesn't pass the test, we're going to have to sack them', and of course that was a bit of a stigma. And then finally businesses realised that that is not the only choice and that there is counselling and there are other things, and often people just find themselves in some unfortunate circumstances from time to time.

Ms ADDISON: Or make a bad decision.

Mr BRENNAN: Correct. So there is not that 'I need to dismiss or have some harsh penalties around this person'. So how could Government support that? I am not really clear, off the top of my head. Having education programs, and the professionals that come in—we outsource that function. I think most people do because there is a lot of intricacy in it, and safety et cetera. I think those organisations are well equipped to deal with it and give guidance. Certainly the BMG has been trying to facilitate helping our members.

Ms ADDISON: It is very encouraging to hear that. It used to be quite punitive. I know that BHP in the steel industry had very much a negative test—'There is no role for you'—rather than saying, 'Let's talk about why this decision was made, and how you found that. What support do you need?'. So it is very encouraging that Thales is doing that in-house.

Mr BRENNAN: It is not just Thales. Everybody is realising these are the options that are available.

Mr BICE: We had an experience of that just recently where a small business that would be less than 10 employees had one of their employees who had an issue around drugs. They did not know where to go to get the support. They came to us. We were able to put them on to Bendigo community health, who then addressed the issue, and that person is now back in the workforce and doing really well. So for a lot of the small businesses it is knowing where to go. There is support out there. It is just: where do you find it? For us, our role was more about we did not do anything other than connect them up with the right provider.

Ms ADDISON: Fantastic.

Mr BICE: So they are the sort of things, and businesses are looking for 'How do we actually support the worker in these scenarios?'.

Mr BRENNAN: Because your workforce is the most important asset.

Mr BICE: It is very important.

Mr BRENNAN: A government initiative may be to advertise and promote those sorts of mechanisms.

Mr BLACKWOOD: We have heard some fantastic things this morning in the first two groups, which is great. We have heard perhaps how you are doing it. But I am a bit keen to know what sets Bendigo apart in terms of being able to establish and hang onto such a strong manufacturing base compared to other areas.

Mr BRENNAN: That is a very good question. On the fact that we are bucking the trends against national numbers, I think the BMG is partly supporting that because it actually is a think tank and it is an opportunity. We definitely work under Chatham House rules. We come in and we share a lot of information. We share a lot of our data, and we often publish that in a holistic sense, and council uses that information to say, 'Here's our capex plans for the future'. You cannot work out that it is any particular company. A lot of people assume it is Thales, being a very large employer here, but it is not often that Thales is the big contributor. There are other, smaller companies who are really determined to invest. I cannot personally put a finger on the pulse that says, 'Here's the one issue'. It is a great region. There is a great ethos here and a great culture within Bendigo, and there is a lot of support. We have a very good council so that really does help.

The CHAIR: Excellent. Thank you for being here today.

Witnesses withdrew.